

Message Text

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ACTION EB-08

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R 191952Z APR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 0348
INFO ALL OECD CAPITALS
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BRUSSELS ALSO FOR USEC

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DEPT FOR EB/TRA/MA

E.O. 11652: N/A
TAGS: EWWT, OECD
SUBJECT: OECD MARITIME TRANSPORT COMMITTEE (MTC) AND
WORKING GROUP (WG) APRIL 10-13

1. SUMMARY - MTC MADE SIGNIFICANT PROGRESS IN FORMU-
LATING SHIPPING PRINCIPLES UNDER PHASE III OF SHIPPING
POLICY DISCUSSIONS. WHILE SEVERAL ISSUES NARROWED,
QUESTIONS OF DRAFTING POINTS ON, INTER ALIA, FLAGS OF
CONVENIENCE AND LDC PARTICIPATION REMAIN FOR WORKING
GROUP CONSIDERATION IN JUNE. UNDERLYING SUCH PROGRESS
IS INCREASING RECOGNITION BY MANY DELS OF RELATIONSHIP
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WHICH NOW EXISTS BETWEEN DEVELOPED STATE AND ITS LDC
MARITIME TRADING PARTNER WHICH MIGHT INCLUDE SOME SORT
OF FORMALIZED MARITIME RELATIONSHIP. MANDATES AND OFFI-
CERS OF MTC AND SUBSIDIARY BODIES WERE RENEWED FOR ANO-
THER YEAR. FRANCE TOOK OPPORTUNITY TO RAISE AMOCO CADIZ
INCIDENT, AND AS EXPECTED, LAID BLAME FOR TRAGEDY ON FACT
THAT VESSEL WAS REGISTERED IN FLAG OF CONVENIENCE STATE,

ALBEIT ADMITTING THAT VESSEL ITSELF APPEARED NOT TO BE SUB-STANDARD. THE SPECTRE OF UNCTAD V AND ROLE SHIPPING WILL PLAY, ESPECIALLY IN LIGHT OF VARIOUS SUGGESTIONS TO REVISE UNCTAD COMMITTEE ON SHIPPING TERMS OF REFERENCE (SEE U.S. PAPER) WAS RAISED PROMPTING MTC TO ORDER ITS SPECIAL GROUP ON INTERNATIONAL ORGANIZATIONS (SGIO) TO BEGIN FIRST STEP OF UNCTAD V PREPARATIONS AS WELL AS IEERGOVERNMENTALXPREPARATOR INTERGOVERNMENTAL PREPARATORY GROUP (IPG) DURING JUNE SGIO. WG HAD MET ON APRIL 10 AND REVIEWED CURRENT SHIPPING POLICY ISSUES IN U.S. AND ELSEWHERE. END SUMMARY

2. THE MTC BEGAN WORK APRIL 11, 1978 FOLLOWING A MORNING MEETING OF THE BUREAU. MANDATES OF THE WORKING GROUP (WG) AND SPECIAL GROUP ON INTERNATIONAL ORGANIZATIONS (SGIO) WERE EXTENDED FOR ONE YEAR. OFFICERS WERE UNANIMOUSLY REELECTED: CHAIRMAN JANSSEN (NETHERLANDS) AND VICE CHAIRMEN BANK (US), VOSS (SWEDEN), PLYTZONOPOULOS (GREECE). MURRAY (CANADA) WAS ELECTED CHAIRMAN OF THE WG AND HINZ (GERMANY) WAS REELECTED CHAIRMAN OF THE SGIO. MTC DECIDED TO ADD VICE CHAIRMEN TO THE SUBORDINATE BODIES. DE ROHAN (FRANCE) WAS ELECTED VICE CHAIRMAN OF THE WG AND PRYOR (UK) VICE CHAIRMAN OF THE SGIO.

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3. DURING THE DISCUSSION OF AGENDA ITEM 8 -- SUBSTANDARD SHIPS -- FRANCE TOOK THE OPPORTUNITY TO MAKE A STRONG STATEMENT ON THE AMOCO CADIZ, CHARACTERIZING THE WRECK AS "UNACCEPTABLE" CATASTROPHE. FRENCH DEL GAVE A BRIEF RECITATION OF THE KNOWN FACTS (THE OFFICIAL INQUIRY IS NOT YET COMPLETE), CONCLUDING WITH THE OBSERVATION THAT THERE HAD BEEN A SHARP REACTION THROUGHOUT FRANCE TO THE SPILL. HE ASSERTED THAT FIVE PRINCIPAL LESSONS WERE LEARNED: (1) THE CREW WAS EITHER NEGLIGENT OR INCOMPETENT; (2) THE AMOCO CADIZ WAS A FLAG OF CONVENIENCE (FOC) VESSEL; (3) FRANCE CANNOT PERMIT SUCH VESSELS TO APPROACH ITS SHORES SO CLOSELY IN THE FUTURE; (4) EXISTING ANTI-POLLUTION MEASURES ARE INADEQUATE; (5) MEASURES ADOPTED AS A RESULT OF THE TORREY CANYON INCIDENT PROVED INADEQUATE. FRENCH DEL SAID THERE IS FURTHER USEFUL WORK ON SAFETY TO BE DONE WITHIN COMPETENT BODIES SUCH AS IMCO, CONCEDEING THAT FIRST EVIDENCE INDICATES THAT THE AMOCO CADIZ WAS NOT A SUBSTANDARD SHIP. PREDICTABLY, HE ALSO ASSERTED THAT THE DISASTER WAS A RESULT OF THE FLAG OF THE VESSEL (FLAG OF CONVENIENCE) PER SE, RATHER THAN ANY OTHER CAUSE, AND NOTED FRANCE WOULD CONTINUE IN ALL

FORA (INCLUDING OECD) TO ELIMINATE FOC'S. THERE WERE

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EXPRESSIONS OF SYMPATHY FOR FRANCE FROM ALL DELS. THE U.S. DEL ALSO REFERRED TO OUR OWN ARGO MERCHANT CATAS-TROPHE ADDING THAT THE PROBLEM EXEMPLIFIED BY THE AMOCO CADIZ AND THE PREVENTION OF FUTURE INCIDENTS WAS BEST ADDRESSED BY IMCO AS A PROBLEM OF SUBSTANDARD SHIPS OR CREWS. IN CLOSING REPLY, FRENCH DEL REITERATED APPARENT NON-SEQUITUR THAT THE FLAG OF THE VESSEL RATHER THAN ITS EQUIPMENT OR CREW WAS RESPONSIBLE FOR THE ACCIDENT AND THAT FOC'S MUST BE ELIMINATED. FRG INDICATED THAT ITS CABINET WOULD CONSIDER IMPLEMENTING A TANKER "CHECK-LIST" FOR VESSELS IN OR APPROACHING ITS WATERS. PILOTS WOULD REVIEW LIST FOR COMPLIANCE AND REPORT TO AUTHORITIES. IN EVENT OF NON-COMPLIANCE, VESSELS WOULD BE DENIED ENTRY TO FRG WATERS. ALTHOUGH NOT COMPLETELY FORMULATED, FRG INTENDS TO PRESENT THE PROPOSAL REGIONALLY IN THE EEC.

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4. UNDER ITEM 10 -- STATE TRADING COUNTRIES -- II WASS SHARED BELIEF THAT (A) NATURE OF EAST BLOC PENETRATION HAS STABILIZED, AND (B) ALTHOUGH REMAINING A SERIOUS PROBLEM, ACTIVITIES WITHIN OECD, EEC AND INDIVIDUAL COUNTRIES MAY HAVE HAD SOME EFFECT. ACCORDINGLY, MTC CONCLUDED THAT WORK ON FURTHER LEGISLATION AND COOPERATIVE EXCHANGE OF INFORMATION MUST BE CONTINUED AT FULL STRENGTH, AND ANY REDUCTION THEREOF WOULD BE CONSIDERED A SIGN OF WEAKNESS.

5. AGENDA ITEM 11 -- UNCTAD AND RELATED SUBJECTS -- BROUGHT A REPORT FROM SGIO CHAIRMAN HINZ ON THE HAMBURG CONFERENCE AND A FAIRLY LENGTHY DISCUSSION OF GROUP S B'S FUTURE BEHAVIOR IN UNCTAD COMMITTEE ON SHIPPING AND IN UNCTAD V. FOLLOWING LEAD FROM UK DELEGATION, MOST DELS EMBRACED A MORE ACTIVE AND COORDINATED ROLE FOR GROUP B, WHILE RECOGNIZING THAT THE UNCTAD SET-UP IS "TILTED" TOWARD THE SUCCESSIVE PROCESSING OF GROUP 77 RESOLUTIONS. MTC ALSO AGREED THAT ANY GROUP B INITIATIVES, I.E., RESOLUTIONS, ARE LIKELY TO BE MET AUTOMATICALLY WITH SUSPICION. LIKELY TOPICS FOR DISCUSSION AT UNCTAD V WERE CONSIDERED TO BE: (A) THE GENUINE LINK AND (B) BULK AND TANKER TRADES. THE U.S. PAPER (DAF/MTC 77.28 ADD. 1), ON IMPROVED RELATIONS WITH UNCTAD RECEIVED A SYMPATHETIC READING IN COMMITTEE, WITH NO SERIOUS DISSENT FROM ANY OF ITS SUBSTANTIVE PROPOSALS. IN THIS CONNECTION, THE SGIO HAS BEEN CHARGED WITH THE TASK OF ATTEMPTING TO PREPARE A POSITIVE APPROACH FOR GROUP B TO TAKE IN UNCTAD V DURING ITS MEETING IN JUNE.

6. MTC AGREED THAT FURTHER MEETINGS OF THE WG BE HELD ON JUNE 12, 13 AND MORNING OF 14, 1978 AND OCTOBER 9,
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1978. THE SGIO WILL MEET THE AFTERNOONS OF JUNE 14, 15, 16 AND OCTOBER 12, 13, 1978. MEETINGS OF THE MTC AND SUB-COMMITTEES HAVE BEEN TENTATIVELY SCHEDULED FOR THE WEEK OF JANUARY 22, 1979. DURING COURSE OF WP MEETINGS IN JUNE, FURTHER DISCUSSION OF PHASE III SHIPPING PRINCIPLES WILL BE DISCUSSED. SGIO IN JUNE WILL SPEND A SIGNIFICANT PORTION OF ITS TIME ON IT INITIAL PREPARATION FOR UNCTAD V, REVISIONS OF UNCTAD COMMITTEE ON SHIPPING TERMS OF REFERENCES AS WELL AS THE ALREADY ANNOUNCED REVIEW OF IPG'S STATUS.

7. MAJOR SEGMENT OF MTC'S TIME WAS TAKEN UP WITH SYSTEMATIC AND THOROUGH REVIEW OF THE 16 POINTS OF SHIPPING PRINCIPLES UNDER PHASE III OF THE POLICY DISCUSSION. EXCEPT FOR THE FAILURE OF THE CHAIRMAN TO SEIZE THE INITIATIVE AND MOVE FURTHER TOWARDS CONSENSUS TEXTS AT THE CLOSE OF THE LAST DAY (SHORTENED BY THE CHAIRMAN TO PERMIT HIM TO CATCH AN EARLY TRAIN HOME), THE COMMITTEE REMOVED MANY SQUARE BRACKETS, OR THE LANGUAGE THEREIN. OF THE 16 POINTS, GENERAL OR FULL CONSENSUS HAS BEEN ACHIEVED ON MORE THAN ONE-HALF. FINAL TEXTS ON FOLLOWING POINTS WERE AGREED ON (ALTHOUGH A NUMBER OF POINTS WERE THE SUBJECT OF INDIVIDUAL RESERVATIONS): POINT 1, "GENERALITIES"; POINT 2, "SUPERVISORY POWERS"; POINT 3, "MARITIME CLAUSES"; POINT 8, "SHIPPER-OWNER BALANCE"; POINT 10, "COUNTERVAILING POWERS"; POINT 11, "CONSULTATIONS ON COUNTERMEASURES". MTC WAS ONE WORD AWAY FROM AGREED TEXT FOR COMBINED POINTS 7 AND 15 ("RELATIONS WITH DEVELOPING COUNTRIES" AND "COOPERATIVE MEASURES") WHEN CHAIRMAN JANSSEN'S TRAIN WHISTLE BLEW AT 4:45 PM. ELIMINATION OF BRACKETS OR CONTROVERSIAL LANGUAGE IN OTHER POINTS WILL EASE THE WORK OF WG WHEN IT RECEIVES THIS PACKAGE FOR FURTHER REFINEMENT IN JUNE. MTC HOPES THAT CLEAN PACKAGE, READY FOR "SECOND READING" CO

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WILL THEREBY BE PREPARED IN WG FOR CONSIDERATION BY FULL
MTC IN OCTOBER. FULL TEXT OF POINTS WAS HAND-CARRIED
BY USDEL TO WASHINGTON.

8. SEPARATE SECRETARIAT DOCUMENT ON "OBJECTIVES",
PREPARED IN RESPONSE TO FRG AND GREEK REQUEST THAT OB-
JECTIVES BE DISCUSSED BEFORE "PRINCIPLES", WAS CLEVERLY
PUT TO REST BY CHAIRMAN, WITH DIPLOMATIC ACQUIESCENCE OF
FRG, BY INCORPORATING POINTS CONTAINED IN "OBJECTIVES"
WITHIN THE "PRINCIPLES" THEMSELVES. ALTERNATIVELY,
CHAIR SUGGESTED THAT OBJECTIVES COULD APPEAR IN INTRO-
DUCTION OF FINAL PAPER.

9. WG MET ON APRIL 10, UNDER CHAIRMANSHIP OF MURRAY
(CANADA) AND SPEEDILY DISPOSED OF ITS AGENDA. USDEL
REPORTED AT SOME LENGTH ON SHIPPING LEGISLATION NOW
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PENDING IN CONGRESS AND MADE BRIEF REMARKS PER INSTRU-
CTIONS ABOUT THE STATUS OF THE GRAND JURY INVESTIGATION
WHICH DREW NO REJOINDERS. USDEL ALSO REPORTED ON RE-
CENT BILATERAL NEGOTIATIONS BETWEEN US, ARGENTINA AND
BRAZIL, DISTRIBUTING TEXT OF US/ARGENTINA AGREEMENT.
IN LATTER CONTEXT, JAPAN REPORTED THAT IN RECENT NEGOTIA-
TIONS, ARGENTINA CONTINUED TO TAKE A VERY HARD LINE ON
CARGO SHARING AND HAS MAINTAINED ITS CLAIM ON 50 PERCENT
OF THE SOUTHBOUND JAPAN/ARGENTINA TRADE. UK DEL REPORTED
THAT THE THAI MARITIME PROPOSALS ARE LIKELY TO BECOME
LAW (IN 3 OR 4 MONTHS) WITHOUT THE OPPORTUNITY FOR
COUNTRIES TO SUGGEST MODIFICATIONS BEFORE PASSAGE, THAT
ANY CHANGES MUST BE AFTER THE FACT. CONTINUING EUROPEAN
INTEREST IN FRG, FRENCH AND BELGIAN AGREEMENT WITH
IVORY COAST, UK-FRENCH INTEREST IN CROSS-CHANNEL
FERRIES, AND COMMITTEE-WIDE INTEREST IN AUSTRALIAN
LEGISLATIVE REVIEW RESULTED IN INCLUDING THOSE TOPICS
ON AGENDA FOR NEXT SHIPPING POLICY MEETING. UK REPORTED
NEW SINGAPORE FINANCE MINISTRY INSTRUCTION REQUIRING
SINGAPORE GOVERNMENT AGENCIES TO SHIP ON NATIONAL FLAG

VESSELS.

10. COMMENT: US DEL VERY SATISFIED ON PROGRESS
OF PHASE III TOWARDS EVENTUAL MTC STATEMENT OF REALISTIC
SHIPPING PRINCIPLES WHICH COULD ACT IN CONJUNCTION WITH
NOTE 1 TO CODE OF LIBERALIZATION. TRICKY ISSUES SUCH
LDC SHARE, INTERNATIONAL CODE-LIKE INSTRUMENT AND FLAGS
OF CONVENIENCE REMAIN. NEANDERTHAL THINKING AMONG
STAUNCHEST WORSHIPPERS OF THAT WHICH EXISTED BEFORE
DEVELOPING WORLD BEGAN ITS FLEETS ARE SLOWLY COMING
AROUND TO A RECOGNITION OF THEIR (LDC) EXISTENCE, AND
THAT THE INDIVIDUAL LDC TRADING COUNTRIES MAY VERY WELL
HAVE A SAY IN SHIPPING POLICIES OF DEVELOPED COUNTRIES.
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THE HYPOCRISY OF THE PAST MAY INDEED BE REPLACED BY A
RECOGNITION OF THE WORLD AS IT IS, AND AS WE MIGHT
REALISTICALLY HELP IT BECOME, AS OPPOSED TO THE WORLD
AS IT ONCE WAS AND TO WHERE IT COULD NOT RETURN.
SALZMAN

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